

Proposed 2021 Market Projects

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Agenda

- **Project Prioritization Phases, Milestones, and Timeline**
- **Stakeholder Feedback**
- **2021 Market Project Candidates**
- **Next Steps**

Project Prioritization Phases, Milestones, and Timeline

Project Prioritization Process

Phase	Description
Identification	This phase involves developing the list of project candidates taking into consideration regulatory obligations, strategic initiatives, State of the Market recommendations, necessary infrastructure enhancements, product plans, stakeholder feedback, etc.
Prioritization	This phase involves a stakeholder survey and the NYISO prioritization of projects. The stakeholder survey will facilitate an assessment of the relative priority of the topic within the portfolio and is used to determine stakeholder appeal. The NYISO prioritization incorporates the stakeholder appeal into objective criteria that reflects strategic alignment, expected outcomes, risks, and ability to execute in development of a priority score for each Market project.
Evaluation	This phase involves performing a feasibility assessment based on detailed cost and labor estimates, dependencies, priority scores, and stakeholder feedback.
Recommendation	This phase involves proposing a feasible set of project deliverables and related budget requirements. The proposal is refined as needed based on stakeholder feedback.

Project Type

Project Type	Description
Mandatory	Strategic Initiatives and FERC Orders. These projects will be included in the budget
Continuing	Approved in a prior year and have progressed to either Software Design or Development Complete. Additional projects may be classified as Continuing based on stakeholder feedback. These projects will be included in the budget
Future	Consensus from stakeholder discussions of this projects priority relative to other projects has resulted in these projects NOT being prioritized and initiated in the coming budget year. Resources, time constraints, stakeholder feedback, and other project dependencies have been taken into consideration
Prioritize	Projects to be prioritized and included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies. Market projects are included in the stakeholder survey

Project Category

Project Category	Description
Enterprise	Includes internal-facing technology and back office support projects that have no market rule changes. This list includes projects that may be noticeable to Market Participants. These projects are NOT included in the stakeholder survey
Market	Projects associated with market rule(s) including market design and study projects as well as any project implementing market rule changes. These projects are included in the stakeholder survey unless they are Mandatory, Continuing, or Future

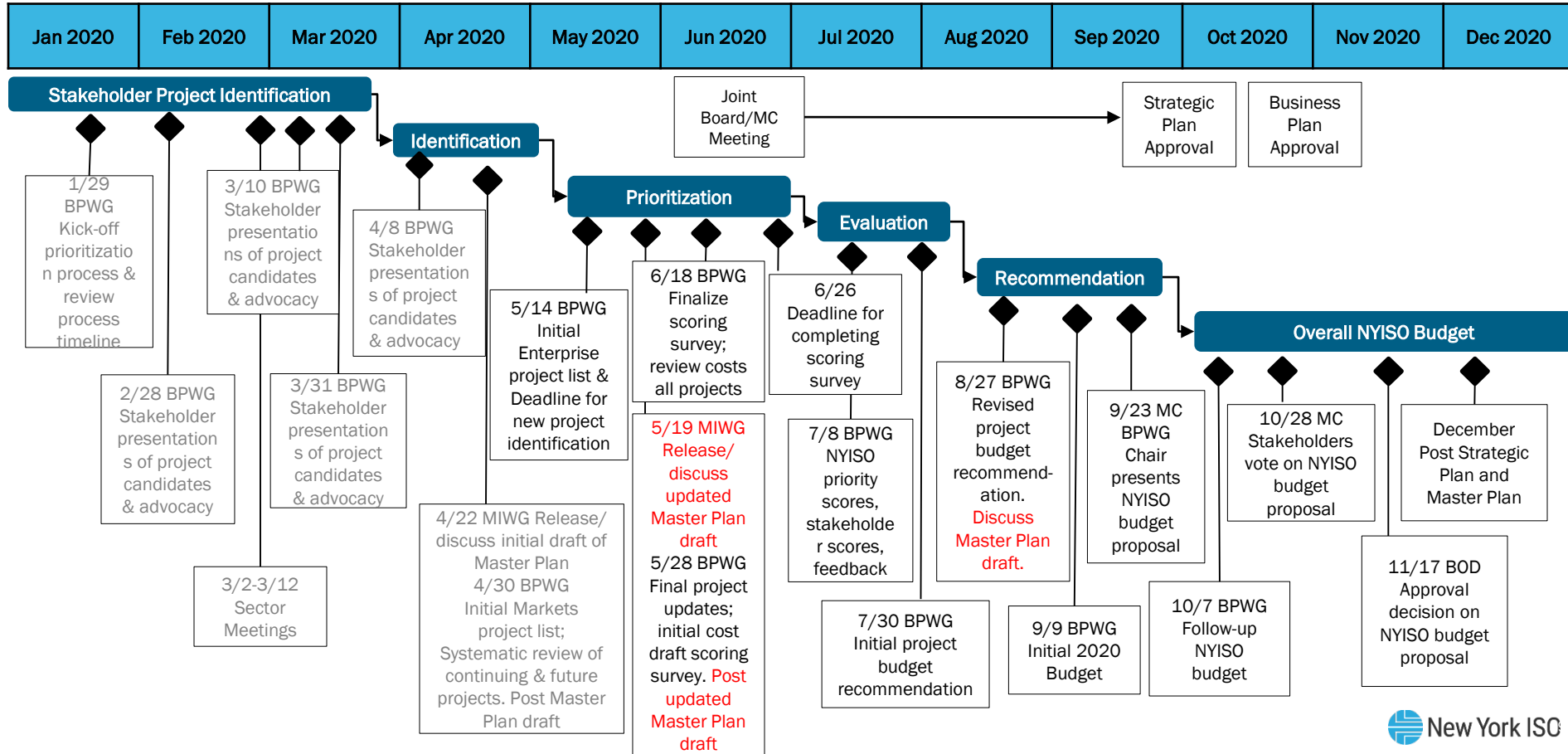
Project Scoring

Project Scoring	Description
NYISO Only	Enterprise projects that are not Mandatory, Continuing, or Future types are scored by the NYISO Only during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, priority score and other project dependencies.
Stakeholder Scored	Market projects that are not Mandatory, Continuing, or Future are included in the stakeholder survey and scored by the NYISO during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies.

Milestone Definitions

Milestone	Definition
Market Design Concept Proposed	NYISO has initiated, or furthered discussions with stakeholders that explore potential concepts to address opportunities for market efficiency or administration improvements.
Market Design Complete	NYISO has developed with stakeholders, a market design concept such that the proposal can be presented for a vote at the BIC or MC to define further action on the proposal.
Architectural Design	The architectural design document is complete and software development is ready to begin.
Functional Requirements	NYISO has completed documentation of the functional requirements and the Business Owner has approved.
Software Design	The software design document is complete and software development is ready to begin.
Development Complete	Development has been completed, packaged and approved by the Supervisor.
Deployment	Required software changes to support commitment have been integrated into the production environment.
Study Complete	Scope of work to be performed has been completed; results and recommendations have been presented to the appropriate Business Owners and stakeholders.
Study Defined	The scope of work for the study has been presented to stakeholders, including a discussion on the necessary input(s), assumption(s) and objective(s) of the study.
Issue Discovery	NYISO has facilitated education session(s) for stakeholder knowledge development of problem/issue, conducted stakeholder solicitation of potential solutions to address problem/issue, and summarized findings at a working group meeting for potential ranking and future project identification.

2021 Proposed Project Prioritization Timeline



Stakeholder Feedback and NYISO Response

Stakeholder Feedback and NYISO Response

Stakeholder Feedback	NYISO Response
NYSERDA presented Grid Services from Renewable Generators project description and requested project be considered	Project is included in the Markets project list posted with today's materials
Credit Price Spread Updates - Virtual & External Transactions: Should be an Enterprise project and not included in stakeholder survey	Project was moved to Enterprise
Tailored Availability Metric: Stakeholders provided feedback that they would like to see this Continuing as the NYISO is committing to FERC to implement next year. Project should have same treatment as Comprehensive Mitigation Review which is Continuing. Description is old and should be updated	Project type updated to Continuing and description has been updated with today's posted materials

Stakeholder Feedback and NYISO Response

Stakeholder Feedback	NYISO Response
Hybrid Storage Model: Stakeholders provided feedback that they would like to see this Continuing	Project type updated to Continuing
5 Minute Transaction Scheduling - Requested by HQUS: HQUS provided description modifications they would like to see incorporated	Project description has been updated with today's posted materials

2021 Market Project Candidates

2021 Additional Projects (Revised Slide)

- Project descriptions posted with today's materials have been revised to include the following additional projects

Project Name	Product Area	Project Type
Expanding Peak Hour Forecasts	Capacity Market Products	Prioritize
Demand Curve Translation Enhancement (SOM)	Capacity Market Products	Future
Monthly Demand Curves (SOM)	Capacity Market Products	Future
More Granular Operating Reserves (SOM)	Energy Market Products	Prioritize

Note: Changes from prior presentation are shown in red

2021 Market Project Candidates

Item	Project Name	Product Area	Project Type
1	TCC Credit Enhancements	Business and Finance Products	Prioritize
2	BSM Renewables Exemption Study	Capacity Market Products	Mandatory
3	CRIS Tracking	Capacity Market Products	Mandatory
4	Demand Curve Reset	Capacity Market Products	Mandatory
5	Tailored Availability Metric	Capacity Market Products	Continuing Prioritize
6	Enhanced BSM Forecasts Assumptions (SOM)	Capacity Market Products	Prioritize
7	Comprehensive Mitigation Review	Capacity Market Products	Continuing

Note: Changes from prior presentation are shown in red

2021 Market Project Candidates

Item	Project Name	Product Area	Project Type
8	Capacity Demand Curve Adjustments	Capacity Market Products	Prioritize
9	Capacity Transfer Rights for Internal Transmission Upgrades (SOM)	Capacity Market Products	Future
10	Locational Marginal Pricing of Capacity (SOM)	Capacity Market Products	Future
11	Climate Change Impact and Resilience Study	DER Products	Continuing
12	DER Participation Model	DER Products	Mandatory
13	Expanding Capacity Eligibility	DER Products	Mandatory
14	Engaging the Demand Side	DER Products	Prioritize

2021 Market Project Candidates

Item	Project Name	Product Area	Project Type
15	Grid in Transition	DER Products	Continuing
16	Hybrid Storage Model	DER Products	Continuing Prioritize
17	Ongoing TSO and DSO Coordination	DER Products	Continuing
18	Ancillary Services Shortage Pricing (SOM)	Energy Market Products	Prioritize
19	Reserves for Resource Flexibility	Energy Market Products	Prioritize
20	5 Minute Transaction Scheduling - Requested by HQUS	Energy Market Products	Prioritize
21	Carbon Pricing	Energy Market Products	Continuing

2021 Market Project Candidates

Item	Project Name	Product Area	Project Type
22	Constraint Specific Transmission Shortage Pricing (SOM)	Energy Market Products	Prioritize
23	Large Scale Solar on Dispatch	Energy Market Products	Prioritize
24	Mitigation Thresholds Review	Energy Market Products	Prioritize
25	Multi-Level References	Energy Market Products	Prioritize
26	Reserve Enhancement for Constrained Areas (SOM)	Energy Market Products	Prioritize
27	Adjustment of Energy Offer/Bid Floor (SOM)	Energy Market Products	Prioritize
28	Grid Services from Renewable Generators - Requested by NYSERDA	Energy Market Products	Prioritize

2021 Market Project Candidates

Item	Project Name	Product Area	Project Type
29	Long Island Reserve Constraint Pricing (SOM)	Energy Market Products	Prioritize
30	Eliminate Fees for CTS Transactions with PJM (SOM)	Energy Market Products	Future
31	Enhanced PAR Modeling (SOM)	Energy Market Products	Future
32	Long Island PAR Optimization and Financial Rights (SOM)	Energy Market Products	Future
33	RTC-RTD Convergence Improvements (SOM)	Energy Market Products	Future
34	Reserving Capacity for TCC Balance-of-Period (BOP) Auctions	TCC Products	Prioritize
35	On-Peak/Off-Peak TCCs - Requested by Calpine	TCC Products	Prioritize

Next Steps

Next Steps

- Written feedback on project descriptions and project type categorization may be provided up till May 20th for incorporation into May 28th presentation
 - Send to Brian Hurysz at bhurysz@nyiso.com or cell (518) 461-6405
- Deadline for new project identification is today, May 14th
- Stakeholder advocacy and draft scoring survey are scheduled for May 28th BPWG
- Cost review for all projects is scheduled for June 18th BPWG with stakeholder survey distribution after the meeting
- Deadline for completing scoring survey will be June 26th

Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system



Questions?